

EXHIBIT 2

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF MINNESOTA**

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendraye	Commissioner
Phyllis Reha	Commissioner

In the Matter of Qwest Corp. and Winstar
Communications, LLC, Adoption Letter
for Previously Approved Interconnection
Agreement

PUC Docket No. P421,5246/IC-02-324

**QWEST'S MOTION TO CLARIFY OR IN THE ALTERNATIVE TO
WITHDRAW THE JOINT APPLICATION**

Qwest Corporation ("Qwest") respectfully requests permission to clarify or, in the alternative, to withdraw the Joint Application for Approval of Interconnection Agreement Under § 252 between Winstar Communications, LLC and Qwest, filed March 8, 2002.

INTRODUCTION

1. As the Commission is aware, Winstar Communications, LLC ("New Winstar") is a subsidiary of IDT Corporation ("IDT"); the latter is buying certain assets of Winstar Communications, Inc. ("Old Winstar") as part of a pending bankruptcy proceeding in the United States Bankruptcy Court for the District of Delaware.¹ The Bankruptcy Court has issued several orders prescribing the procedures of the sale in accordance with the Bankruptcy Code (explained in more detail below). Pursuant to these orders, IDT must either (1) assume the interconnection agreements of Old Winstar

¹ *In re Winstar Communications, Inc., et al.*, Debtors, Chapter 11, Case No. 01-01430 (JFF) (Hereinafter "Bankruptcy Proceedings").

and cure any outstanding balance associated with those agreements, or (2) reject and terminate those agreements and start anew in ordering and acquiring facilities, circuits, etc. Both options encompass potential benefits, responsibilities and risks, but the court's order is clear, IDT must choose one or the other and then fulfill the obligations that come with that choice.

2. To date, IDT has neither assumed nor rejected the Old Winstar's interconnection agreement in Minnesota. While Qwest is committed to working with New Winstar in accordance with federal law and the Bankruptcy Court's orders, Qwest has recently become concerned that IDT is attempting to subvert the Bankruptcy Court's orders by taking advantage of the simultaneous benefits of the mutually inconsistent assume and reject options, without fulfilling the concomitant obligations of either.

3. New Winstar recently approached Qwest's Wholesale Division and asked to opt-in to a new interconnection agreement (the subject of the Joint Application). This action would appear to anticipate a rejection and termination of the Old Winstar agreement. If rejection and termination is, in fact, New Winstar's intent, then New Winstar will stand in the shoes of a brand new CLEC. Facilities, circuits, etc. provisioned under the Old Winstar interconnection agreement will be terminated. New Winstar, of course, can order new facilities and circuits under its new interconnection agreement, but the realities of the time it takes to provision these items (no different than for any new CLEC ordering new facilities and circuits) would inevitably lead, at least temporarily, to a discontinuance of service to Old Winstar's customers that New Winstar

might seek to serve in the future, notwithstanding its decision to reject current agreements.

4. The other alternative is for IDT's subsidiary to assume the Old Winstar interconnection agreement, pay the requisite cure payments, and continue to provide service under existing facilities and circuits. Under this scenario the risk of potential disconnection of the Old Winstar customers is alleviated, but IDT would of course be required to make cure the payments established by the Bankruptcy Court.

5. IDT's most recent actions have led to concern that IDT may be attempting to have their cake and eat it too by ostensibly rejecting the Old Winstar agreement, thus avoiding the cure payments, and then opting into a "new" interconnection agreement and demanding either (i) that Qwest permit New Winstar to continue to offer service over the exact same facilities, circuits, etc. of the Old Winstar (thus accomplishing a *de facto* assumption), or (ii) seek to "expedite" the processing of New Winstar's request for new facilities under its new interconnection agreement (receiving preferential treatment over other CLECs and thereby accomplishing the same result). This type of subterfuge is in direct violation the Bankruptcy Court's order, effectively requires Qwest to absorb the economic consequences of Old Winstar's defaults, and gives IDT a windfall. Qwest has objected to this "end around" before the Bankruptcy Court and the court heard argument on Thursday, April 11, 2002.²

² Argument is scheduled to continue on Monday, April 15, 2002, and Qwest anticipates an order from the Bankruptcy Court on these issues some time next week.

6. Through this motion, Qwest seeks to inform the Commission of the maneuverings, advise it of the status of the Bankruptcy Proceedings, and alert it to the risk of temporary discontinuance of service to customers if IDT rejects the Old Winstar agreement and begins to operate under the new interconnection agreement that is the subject of the Joint Application. Qwest submits that neither the avoidance of the Bankruptcy Court's orders, nor even a temporary discontinuance of service to customers, is necessary or in the public interest under these circumstances, especially in light of the seamless transition permitted by the assumption of the Old Winstar Minnesota Interconnection Agreement. Consequently, Qwest respectfully requests to withdraw the Joint Application, so that IDT can follow appropriate assumption of the Old Winstar agreement in compliance with the Bankruptcy Court's order, or in the alternative to clarify to the New Winstar that any effort to subvert the Bankruptcy Court will result in temporary discontinuation of service to Old Winstar's customers.

BANKRUPTCY PROCEEDINGS BACKGROUND

7. On April 18, 2001, Winstar Communications, Inc. and certain affiliates and subsidiaries (collectively referred to herein as "Old Winstar") each filed a voluntary petition for relief under Title 11 of the United States Code before the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Proceedings").³

8. As of the date it filed for bankruptcy, Old Winstar (through its subsidiary Winstar Wireless, Inc.) had entered into an interconnection agreement with Qwest to

³ On or about January 24, 2002, the Bankruptcy Proceedings were converted to those under Chapter 7 of the Bankruptcy Code.

provide an array of resale and facilities-based telecommunications services in the State of Minnesota. See Interconnection Agreement Between U S WEST Communications, Inc. and Winstar Wireless of Minnesota, Inc., executed November 6, 1997 ("Minnesota Interconnection Agreement").

9. As of the date it filed for bankruptcy, Old Winstar owed Qwest Corporation (on a region-wide basis) approximately \$1.5 million for telecommunication services and facilities provided under interconnection agreements between Qwest and Old Winstar. Approximately \$260,000.00 of this sum was attributable to costs owed by Old Winstar to Qwest for services under Old Winstar's Minnesota Interconnection Agreement.

10. Pursuant to the Bankruptcy Proceedings Old Winstar is subject to several agreements and orders, including but not limited to, the following:

- Old Winstar and Qwest Corporation entered into a Stipulation and Order ("Stipulation and Order") which required Winstar Communications, Inc. to pay Qwest Corporation on a current basis pending the Bankruptcy Proceeding.
- Old Winstar was permitted to sell its assets subject to certain conditions, including those set forth in the Bankruptcy Court's Order Authorizing (i) Sale of Certain of Debtors' Assets Free and Clear of Liens, Claims Encumbrances, And Interests, (ii) Approving Cure Amounts with Respect to Certain Executory Contracts and Unexpired Leases, (iii) Authorizing the Debtors to Enter into and Approving Management Agreement, (iv) Approving Regulatory Transition Process and (v) Granting Related Relief. See *In re Winstar Communications, Inc. et al., Debtors*, Chapter 11, Case No. 01-1430-JJF (Bankr. D. Del. 2001)("Sale Order")(attached hereto as Exhibit A)

11. Old Winstar breached the Stipulation and Order by failing to remain current on service costs owed to Qwest totaling over \$3.8 million, including \$690,000.00 under the Minnesota Interconnection Agreement.

12. Under the Sale Order, IDT acquired essentially all of Old Winstar's assets, and agreed to operate Old Winstar's business during a 120-day period (beginning in December 2001 and expiring on April 19, 2002) pending the transfer of necessary federal and state regulatory licenses ("Transition Period").

13. During the Transition Period, IDT was required to pre-pay for all charges for services (including those provided under interconnection agreements), and service providers (such as Qwest) can not terminate service based on Old Winstar's defaults prior to closing, December 19, 2001.

14. Also during the Transition Period, IDT may direct Old Winstar to seek an order whereby Old Winstar can assume and assign to IDT any executory contracts (such as interconnection agreements), provided that IDT cures any payments due under the assigned agreements:

The Buyer shall have the ability during the Regulatory Compliance Period to direct the Debtors to seek the entry of one or more orders of the Court authorizing the Debtors to assume and assign to the Buyer any executory contract or unexpired lease to which the Debtors are a party, provided that the Buyer shall be solely responsible for paying any cure payment that is payable in connection with any such assumption and assignment.

See Sale Order at 19 (emphasis in original).⁴

15. IDT may also choose to reject existing executory contracts by taking affirmative actions, including, but not limited to, providing prior written notice to the non-debtor party to the agreement. If IDT rejects an agreement, IDT must enter into a new agreement just as if it were a new carrier, with no special priorities, and no rights to use pre-established circuits and business processes. If IDT rejects an interconnection agreement, the agreement is terminated. IDT then must start with a clean slate and pay for replacement circuits and facilities and have these purchased services and elements re-provisioned:

[I]n the event that any contract with any Service Provider that is a telecommunications carrier shall be rejected: (i) no termination liability shall arise, (ii) such telecommunications carrier shall provide telecommunications services in accordance with, and to the extent required by, applicable law in a non-discriminatory manner, and (iii) such telecommunications carrier will charge the Buyer for replacement circuits the lower of the actual costs and tariff rates to set up or establish such replacement circuits.

See Sale Order at 18-19 (emphasis added).

⁴ Qwest understands that the "assume and assign" provisions apply to interconnection agreements entered under the Telecommunications Act of 1996, and further that if IDT were to have Old Winstar assume and assign its interconnection agreement(s) with Qwest to IDT, that the applicable cure payment due from IDT would be approximately \$ 5.4 million.

16. For the entire Transition Period, IDT has not made its choice regarding interconnection agreements: It has neither assumed them, nor rejected them. The Transition Period expires April 19, 2002.

IDT'S ACTIONS IN MINNESOTA

17. As the Commission is aware, New Winstar (Winstar Communications, LLC) is a subsidiary of IDT, and IDT intends to use New Winstar to operate the former assets and facilities of Old Winstar that IDT acquired through its asset purchase pursuant to the Bankruptcy Proceedings.⁵ New Winstar's petition to acquire the assets and authority of Old Winstar was approved by the Commission on March 20, 2002, on the condition that New Winstar assume responsibility for any unpaid regulatory expenses of Old Winstar.⁶

18. New Winstar also recently notified the Commission that it wished to discontinue service to those customers of the Old Winstar in Minnesota that the New Winstar does not deem profitable.⁷

19. On or about January 30, 2002, Winstar Communications, LLC ("New Winstar"), through counsel, sent a letter to Qwest's Wholesale Division, seeking to enter into a new interconnection agreement with Qwest by opting into the interconnection

⁵ See *In the Matter for Approval of Winstar Holding, LLC to Acquire the Assets and Authority of Winstar Wireless, Inc.*, Comments of the Department of Commerce, MPUC Docket No. P5246/PA-02-83, March 5, 2002 ("Acquisition Petition"), pp. 1-3.

⁶ See *In the Matter for Approval of Winstar Holding, LLC to Acquire the Assets and Authority of Winstar Wireless, Inc.*, Order Approving Acquisition Petition, Docket No. P5246/PA-02-83, March 20, 2002.

⁷ See *Notification of Winstar Wireless, Inc. and Winstar Communications, LLC of the Discontinuance of Certain Services in Minnesota*, MPUC Docket No. P5246/M-02-365, filed March 18, 2002.

agreement between Sprint Communications Company LP and Qwest Corporation fka U S WEST Communications, Inc. in its entirety. See Affidavit of Larry Christenson ("Christenson Affidavit," attached hereto as Exhibit B) at ¶ 4.

20. Relying on New Winstar's letter and the determination that the existing interconnection agreement between Qwest and Winstar Wireless, Inc. is month-to-month, Qwest's Wholesale Division handled New Winstar's request as a routine opt-in request, executing the standard opt-in letter agreement ("Opt-in Letter"), and forwarding the Opt-in Letter onto local Qwest counsel for filing with the Minnesota Public Utilities Commission. See Christenson Affidavit at ¶ 5.

21. On March 8, 2002, Qwest filed the Joint Application for Approval and Adoption of Agreement for Local Wireline Interconnection between Winstar Communications, LLC and Qwest Corporation ("Joint Application").

22. When it approached Qwest's Wholesale Division and requested to enter into the Opt-in Letter, New Winstar did not mention the Bankruptcy Proceedings or the fact that New Winstar is a subsidiary of IDT which is directly subject to the jurisdiction and orders of the Bankruptcy Proceedings, including orders which define appropriate action with regard to interconnection agreements. See Christensen Affidavit at ¶ 7.

23. Had Qwest's Wholesale Division been informed by New Winstar that it was subject to an order of the Bankruptcy Court or otherwise subject to special conditions with regard to entering into an interconnection agreement, Qwest's Wholesale Division would not have handled Winstar's request as a routine matter, and would not have directly executed the Opt-in Letter. See Christensen Affidavit at ¶ 8.

24. New Winstar requested Qwest to change the name on Old Winstar's accounts (governed by Old Winstar's interconnection agreements) to New Winstar, and to assign the Old Winstar's circuits to New Winstar. *See* Letters from Stephen Murray to Qwest, dated February 26, March 27 and March 28, 2002, attached hereto as Exhibit C. Given the contrary order of the Bankruptcy Court, Qwest declined and suggested that New Winstar follow the appropriate assumption process under the Bankruptcy Court's Sale Order.

25. Qwest believes that IDT is continuing its attempt to evade its obligation under the Bankruptcy Code and applicable Bankruptcy Court's order by seeking to opt-in to a pre-existing agreement to achieve the benefits of the assignment of Old Winstar's circuits and facilities without assuming the responsibilities that go with an assumption, including paying to Qwest the required cure payments.

26. Qwest has objected to IDT's actions before the Bankruptcy Court and is seeking to clarify and enforce IDT's specific obligations under Sale Order and the Bankruptcy Code with regard to entry into any new interconnection agreement(s) to operate Old Winstar's assets and facilities.⁸

⁸ On information and belief, IDT has attempted similar tactics with other incumbent local exchange carriers, and Qwest understands that these ILECs similarly filed objections before the Bankruptcy Court arguing against the manner in which IDT is handling the "assume and assign" period established by the court.

REQUESTED RELIEF

27. Pending the resolution of Qwest's objections with the Bankruptcy Court and any related hearings and proceedings commenced as a result of those objections, Qwest respectfully requests the withdrawal of the Joint Application.

28. Qwest believes that withdrawal is appropriate to avoid confusion, undue administrative process, and any impediments to the Bankruptcy Court's exercise of jurisdiction to enforce its orders.

29. Qwest respectfully request that the Commission direct IDT to accomplish its transition in Minnesota through the appropriate procedures as prescribed by the Bankruptcy Court. This will ensure a transparent transition to Old Winstar's Minnesota customers and to avoid any unnecessary discontinuance.

30. In the alternative, Qwest seeks to clarify that the action currently being pursued by IDT -- starting from scratch by opting into an interconnection agreement -- will result in at least some temporary discontinuance of service to Old Winstar's customers.

Respectfully submitted, April 12, 2002

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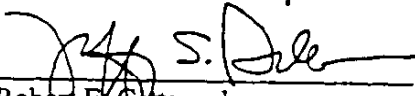

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EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re:	:	Chapter 11
	:	
WINSTAR COMMUNICATIONS, INC., <u>et al.</u>	:	Case No.: 01-1430 (JJF)
	:	
Debtors.	:	Jointly Administered
	:	
	:	
	:	
	-----X	

**ORDER AUTHORIZING (i) SALE OF CERTAIN OF THE DEBTORS'
ASSETS FREE AND CLEAR OF LIENS, CLAIMS ENCUMBRANCES,
AND INTERESTS, (ii) APPROVING CURE AMOUNTS WITH RESPECT
TO CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES,
(iii) AUTHORIZING THE DEBTORS TO ENTER INTO AND APPROVING
MANAGEMENT AGREEMENT, (iv) APPROVING REGULATORY
TRANSITION PROCESS AND (v) GRANTING RELATED RELIEF**

This matter having come before the court on (I) the motion (the "Original Motion"; terms not otherwise defined in this Sale Order shall have the meanings ascribed to such terms in the Original Motion) filed by Winstar Communications, Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), requesting the entry of (A) an order pursuant to sections 363(b) and 105(a) of title 11, United States Code (the "Bankruptcy Code") and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") (i) approving bidding procedures, including bid protections, (ii) approving the form and manner of notice of (a) the hearing to consider granting certain bid protections (the "Bid Procedures Hearing"), (b) the hearing on the sale of certain of the Debtors' assets (the "Sale Hearing"), (c) proposed cure payments and (d) assumption and assignment of executory contracts and unexpired leases, and (iii) scheduling the Sale Hearing,

and (B) an order authorizing and approving (i) the sale of certain of the Debtors' assets free and clear of liens, claims and encumbrances (the "Sale") and (ii) the assumption and assignment of certain executory contracts and unexpired leases, and (II) the supplement to the Original Motion filed with the Bankruptcy Court on December 14, 2001 (the "Motion Supplement", and together with the Original Motion, the "Motion") seeking entry of an order (i) authorizing the Debtors to enter into, and approving, a management agreement substantially in the form annexed to the Motion Supplement as Exhibit A (the "Management Agreement"), (ii) approving, and authorizing the Debtors to implement, the Debtors' proposed regulatory transition process (the "Regulatory Transition Process") and (iii) granting related relief, including an extension of the period under Bankruptcy Code section 365(d)(4) within which the Debtors may decide whether to assume or reject unexpired leases of nonresidential real property; and the Court having conducted a hearing on November 27, 2001, and having entered an order dated November 27, 2001 approving the Bidding Procedures; and an auction having been held at the offices of Shearman & Sterling, counsel to the Debtors, on December 5, 2001, in accordance with the Bidding Procedures previously approved by this Court; and following the conclusion of the Auction, the Debtors, in consultation with their financial advisors, and after consultation with counsel to each of the Creditors' Committee, the Agent for the Prepetition Lenders and the Agent for the DIP Lenders, having (i) reviewed each bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale, and (ii) identified the bid of IDT Winstar Acquisition, Inc. (the "Buyer"), as set forth in the Asset Purchase Agreement, dated as of December 18, 2001 (the "Asset Purchase Agreement") as the highest and best offer for the Purchased Assets (as defined below in Paragraph H) at the Auction (the "Successful Bid"); and a hearing on the Motion

having been commenced on December 10, 2001 and continued on December 17, 2001 and December 18, 2001 (the "Sale Hearing"); and all interested parties having been afforded an opportunity to be heard with respect to the Motion; and the Court having reviewed and considered (i) the Motion, (ii) the objections thereto, if any, and (iii) the arguments of counsel made, and the evidence proffered or adduced at the Sale Hearing; and it appearing that the relief requested in the Motion and approval of the Sale of the assets to be acquired under the Asset Purchase Agreement (as defined therein, the "Purchased Assets") and the entry of an order approving the Sale (this "Sale Order") is in the best interests of the Debtors, their estates, creditors, and other parties in interest; and upon the record of the Sale Hearing, and these cases; and after due deliberation thereon; and good cause appearing therefor, it is hereby

FOUND AND DETERMINED AS FOLLOWS:¹

A. This Court has jurisdiction over the Motion and the transactions contemplated by the Motion pursuant to 28 U.S.C. §§157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(M). Venue of these cases and the Motion is proper pursuant to 28 U.S.C. §§1408 and 1409.

B. The statutory predicates for the relief sought in the Motion are sections 105, 363 and 365 of 11 U.S.C. §§101 et seq. (the "Bankruptcy Code") and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure.

C. As evidenced by the affidavits of service previously filed with the Court, and based on the representations of counsel at the Sale Hearing, (i) proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing, the Cure Notices, the Sale of the Purchased

¹ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed.R.Bank.P. 7052.

Assets and of the related transactions contemplated thereby (including without limitation the entry of the Debtors into the Management Agreement and the implementation of the Regulatory Transition Process) has been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure; (ii) such notice was reasonable, sufficient, and appropriate under the circumstances; and (iii) no other or further notice of the Motion, the Sale Hearing, the Cure Notices, the Sale of the Purchased Assets and all the related transactions contemplated thereby (including without limitation the entry of the Debtors into the Management Agreement and the implementation of the Regulatory Transition Process) shall be required.

D. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested in the Motion has been afforded to all interested persons and entities, including (i) counsel for the Buyer, (ii) counsel for The Bank of New York, as Agent under the Pre-Petition Credit Agreement, (iii) counsel for Citibank, N.A., as agent under the DIP Credit Agreement, (iv) counsel for the Official Committee of Unsecured Creditors (the "Creditors' Committee"), (v) the Office of the United States Trustee, (vi) each party identified by the Debtors as a potential Buyer of the Purchased Assets that was contacted as part of the Sale process, (vii) all entities known to have any asserted lien, claim, encumbrance, alleged interest in or with respect to the Purchased Assets, (viii) all applicable federal, state and local taxing authorities; and (ix) all other entities that have filed requests for notices pursuant to Bankruptcy Rule 2002.

E. The Debtors (i) have full corporate power and authority to execute the Asset Purchase Agreement and all other documents contemplated by the Motion, (ii) have all of the corporate power and authority necessary to consummate the transactions contemplated by the

Motion and the Asset Purchase Agreement and (iii) have taken all corporate action necessary to authorize and approve the Sale and the consummation by the Debtors of the transactions contemplated thereby.

F. The Debtors have demonstrated sound business justifications for the Sale and the other transactions and actions contemplated by the Motion pursuant to section 363(b) of the Bankruptcy Code.

G. Each of the Sale, the Management Agreement and the Asset Purchase Agreement were negotiated, proposed and agreed to by the Debtors and the Buyer as parties thereto without collusion, in good faith, and from arm's-length bargaining positions. The Buyer is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such is entitled to all of the protections afforded thereby.

H. The consideration provided by the Buyer for the Purchased Assets (i) is fair and reasonable, (ii) is the highest or otherwise best offer for the Purchased Assets and (iii) will provide a greater recovery for the Debtors' creditors and other interested parties than would be provided by any other practically available alternative.

I. The transfer of the Purchased Assets to the Buyer under the Sale and the Asset Purchase Agreement will be a legal, valid, and effective transfer of such Purchased Assets, and will, upon the occurrence of the Closing (as defined in the Asset Purchase Agreement), vest in the Buyer all right, title and interest of the Debtors in the Purchased Assets free and clear of all Encumbrances and interests other than the Permitted Encumbrances (in each case, as defined in the Asset Purchase Agreement) (collectively, the "Interests") including, but not limited to, those (i) that purport to give to any party a right or option to give any of the foregoing in the future, any sale or contingent sale or title retention agreement or lease, or termination of the Debtors' or

the Buyer's interest in the Purchased Assets, or any similar rights, and (ii) relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Debtors' businesses prior to the Closing Date (as defined in the Asset Purchase Agreement).

J. The transfer of the Purchased Assets to the Buyer free and clear of all Interests will not result in any undue burden or prejudice to any holders of any Interests since all such Interests of any kind or nature whatsoever shall attach to the net proceeds of the Sale (the "Sale Proceeds") in the order of their priority, with the same validity, force and effect which they now have as against the Purchased Assets, subject to the Carveout (as defined in the Final Order Authorizing Debtors In Possession to Enter Into Post-Petition Credit Agreement and Obtain Post-Petition Financing Pursuant to Section 363 and 364 of the Bankruptcy Code, and Providing Adequate Protection and Granting Liens, Security Interests and Superpriority Claims. dated May 14, 2001 and entered in these cases) and to any claims and defenses the Debtors or other parties may possess with respect thereto.

K. The Buyer would not consummate the transactions contemplated by the Sale, thus adversely affecting the Debtors, their estates, and their creditors, if the Sale of the Purchased Assets to the Buyer was not free and clear of all Interests of any kind or nature whatsoever, or if the Buyer would, or in the future could, be liable for any such Interests and if the assignment of the Purchased Assets could not be made under section 363 of the Bankruptcy Code.

L. The Debtors may sell the Purchased Assets free and clear of all Interests of any kind or nature whatsoever because, in each case, one or more of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied. Those (i) holders of Interests and (ii) non-debtor parties who did not object, or who withdrew their objections, to the Sale, the Sale of the Purchased Assets or the Motion are deemed to have consented pursuant to Bankruptcy Code

section 363(f)(2). Those holders of Interests fall within one or more of the other subsections of Bankruptcy Code section 363(f) and are adequately protected by having their Interests, if any, attach to the proceeds of the Sale ultimately attributable to the property against or in which they claim or may claim an Interest. Notwithstanding anything contained herein or in the Asset Purchase Agreement to the contrary, the Sale of the Purchased Assets is subject to the consent of the DIP Lenders.

M. Due to the regulated environment in which certain of the Purchased Assets are operated, the entry of this Sale Order is necessary to ensure the uninterrupted provision of services to customers of the Debtors (the "Customers") during the period in which the Buyer and the Debtors seek to comply with the applicable federal and state regulatory laws and to enter into contractual or other legal arrangements necessary for the consummation of the Sale, the transfer of the Licenses (as defined below) to the Buyer and the operation of the Purchased Assets by the Buyer (the "Compliance Items").

N. Approval at this time of the Sale, the Asset Purchase Agreement and the Management Agreement, and all the transactions contemplated thereby and hereby (including the Regulatory Transition Process) is in the best interests of the Debtors, their creditors, their estate and other parties in interest.

NOW THEREFORE, BASED UPON THE FOREGOING FINDINGS OF FACT, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED. EFFECTIVE IMMEDIATELY, THAT:

1. The Motion is granted, as further described herein.
2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits, provided, however, that nothing herein shall alter or impair the rights of any party

that has filed and served a timely objection to dispute the amount of a cure payment listed on an applicable Cure Notice, which rights are specifically reserved and which disputes shall be resolved either consensually or, as necessary, by further order of the Court. Notwithstanding anything in the Motion, the Asset Purchase Agreement or this Sale Order to the contrary, the Debtors shall not be authorized to assume and assign any executory contract(s) between any of the Debtors and the United States General Services Administration (the "GSA") without the prior consent of a person authorized to act on behalf of the GSA to the extent such consent is required by any contract or applicable law.

3. The Asset Purchase Agreement substantially in the form attached as Exhibit A to the Notice of Filing of Asset Purchase Agreement, dated December 18, 2001 (including all exhibits, schedules and annexes thereto), and all of the terms and conditions thereof, are hereby approved.

4. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to consummate the Sale of the Purchased Assets, pursuant to and in accordance with the terms and conditions of the Asset Purchase Agreement, to enter into the Management Agreement and to implement the Regulatory Transition Process.

5. The Debtors are authorized to execute and deliver, and are empowered to perform under, consummate and implement, the Asset Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Asset Purchase Agreement (including the Management Agreement), and to take all further actions as may be requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession, the Purchased Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by

the Asset Purchase Agreement, including without limitation the implementation of the Regulatory Transition Process. Notwithstanding anything in the Motion, the Asset Purchase Agreement or this Sale Order to the contrary, the Buyer assumes no employee liabilities that arose prior to the Closing Date, including any accrued but unbilled liabilities.

6. The transfer of the Purchased Assets to the Buyer pursuant to, and subject to the terms of, the Asset Purchase Agreement shall constitute a legal, valid and effective transfer of the Purchased Assets, and shall, upon the occurrence of the Closing, vest in the Buyer all right, title and interest of the Debtors in and to the Purchased Assets to be acquired by such Buyer free and clear of all Interests of any kind or nature whatsoever, with all such Interests to attach to the Sale Proceeds in the order of their priority, with the same validity, force and effect which they now have as against the Purchased Assets, subject to the Carveout and to any claims and defenses the Debtors or other parties may possess with respect thereto.

7. In consideration for the Purchased Assets, and subject to the terms and conditions of the Asset Purchase Agreement, the Buyer shall assume the Assumed Liabilities (as defined therein) and, on the Closing Date, shall irrevocably (i) pay, at the Debtors' election, exercised prior to the Closing Date, (x) an amount in cash equal to \$38,000,000 (the "Cash Payment") or (y) an amount in cash equal to \$30,000,000 and cause to be issued to the Debtors a number of shares of Class B common stock of IDT Corporation, having a value equal to \$12,500,000 based on the average closing price of such stock during the seven trading day period ended December 14, 2001 (the "IDT Shares", and together with the \$30,000,000, the "Cash/Stock Payment"), and (ii) issue to the Debtors such number of shares of common stock of the Buyer, representing 5% of the outstanding shares of Buyer Common Stock as of the date hereof, all in accordance with the terms and conditions of the Asset Purchase Agreement.

Pursuant to the Escrow Agreement (as defined in the Asset Purchase Agreement), which is hereby approved, on or before the date of this Sale Order, the Buyer shall deliver or shall have delivered the Cash Payment to the Escrow Agent (as defined in the Asset Purchase Agreement) to be held in escrow pending Closing. On the Closing Date, the Debtors and the Buyer shall instruct the Escrow Agent to promptly release the Escrow Amount (as defined in the Asset Purchase Agreement) to an account or accounts designated by the Debtors, on behalf of the Debtors in accordance with the terms of the Escrow Agreement. Such account shall be an interest-bearing account in the name of one or more of the Debtors established at Citibank, N.A. for the purpose of receiving such funds (the "Proceeds Account"). The Sale Proceeds shall be maintained in the Proceeds Account and shall not be distributed to any party in interest, including professionals and secured parties, pending further order of the Court following notice and a hearing. Accrued interest on such funds shall constitute part of the Sale Proceeds available for distribution. The Buyer shall have no claim whatsoever to or against any of the funds in the Proceeds Account or to the IDT Shares or the Buyer Common Stock subsequent to the Closing. Any allocation of the Purchase Price agreed to by the Debtors and the Buyer shall not be binding on any other party.

8. On the Closing Date, the Buyer and the Debtors shall enter into the Management Agreement, and the Buyer shall deposit into an account at Citibank, N.A. (the "Operating Account") an amount in cash equal to \$60 million in immediately available funds, to be used from and after the Closing Date through and including the Cutoff Date (as defined in the Management Agreement) exclusively to pay all costs set forth in subsection 3.1(a) of the Management Agreement. In the event that the Buyer shall fail to pay, as and when due, any such costs and the Debtors shall be held liable therefore, the Buyer hereby agrees to indemnify the

Debtors for all such costs. In the event that any funds shall be on deposit in the Account (as defined in the Management Agreement) after the Cutoff Date, and all accrued and unpaid costs required to be paid in accordance with the Management Agreement shall have been paid, any balance may, upon five (5) days' written notice to the Debtors, the Agent for the Postpetition Lenders and such telecommunications service providers that shall send written request to the Buyer requesting such notice and the Buyer shall provide such notice to each party to the extent such party shall continue to provide services to the Debtors or the Buyer, be withdrawn by the Buyer.

9. Except as expressly permitted or otherwise specifically provided for in the Asset Purchase Agreement or this Sale Order, effective upon the occurrence of the Closing, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and other regulatory authorities, lenders, trade and other creditors holding Interests (including but not limited to any claims under any applicable revenue, pension, ERISA, tax, labor, environmental or natural resource law, rule or regulation, or any products liability law) of any kind or nature whatsoever against or in the Debtors or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Debtors, the Purchased Assets, the operation of the Debtors' businesses prior to the Closing Date of the Sale of the Purchased Assets, or the transfer of such Purchased Assets to the Buyer, hereby are forever barred, estopped, and permanently enjoined from asserting against the Buyer, its successors or assigns (to the extent allowed by law), its property, its officers, directors and shareholders or the Purchased Assets, such persons' or entities' Interests. Notwithstanding anything herein to the contrary, nothing

herein shall in any way affect or diminish any rights of the Debtors or any successor thereto (including any chapter 11 or chapter 7 trustee) with respect to obligations of the Buyer arising under the Asset Purchase Agreement, the Management Agreement or this Sale Order. This Sale Order shall be binding on the Debtors and the Debtors' estates, including, following any conversion of these cases, any successor chapter 7 estates, and any chapter 7 trustees appointed in these cases.

10. The consideration provided by the Buyer for the Purchased Assets under the Asset Purchase Agreement shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

11. Notwithstanding any provision to the contrary in this Sale Order, the Motion or the Asset Purchase Agreement, certain prototype laboratory equipment (as listed on Exhibit A hereto, the "Lab Equipment") and certain disbursement and investment accounts established in connection with the Lucent Credit Agreement (as listed on Exhibit B hereto, the "Accounts") shall be segregated from the Debtors' other assets, shall not constitute part of the Purchased Assets and shall not be included in the Sale. Nothing in this Sale Order, the Motion or the Asset Purchase Agreement shall impair or affect the rights and interests of Lucent in the Lab Equipment and the Accounts. The Buyer hereby reserves the right, subject to notice and a hearing, to seek to characterize the Lab Equipment as owned by the Debtors, and to the extent an Order so providing is entered by the court, the Lab Equipment shall constitute Purchased Assets.

12. This Sale Order (a) shall be effective as a determination that, on the Closing Date, and subject to the occurrence of the Closing, all Interests of any kind or nature whatsoever existing prior to the Closing as to the Purchased Assets transferred pursuant to the

Asset Purchase Agreement (including but not limited to any claims under any applicable revenue, pension, ERISA, tax, labor, environmental or natural resource law, rule or regulation, or any products liability law) have been unconditionally released and terminated as to such Purchased Assets, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the act of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Purchased Assets.

13. Each and every federal, state and local governmental agency, department or unit is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Asset Purchase Agreement, except the FCC as regards its approval of the transfer of the Licenses.

14. Except as expressly permitted or otherwise specifically provided for in the Asset Purchase Agreement or this Sale Order in respect of the Asset Purchase Agreement or the Purchased Assets to be transferred pursuant to such Asset Purchase Agreement, the Buyer shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to such Purchased Assets and, to the extent allowed by law, the Buyer (and its officers, managers and members) shall not be liable for any other claims against the Debtors or any of their predecessors or affiliates, and the Buyer shall have no successor or vicarious liabilities of any kind or character whether known or unknown as of the Closing Date under the Asset

Purchase Agreement, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors, other than the Permitted Encumbrances, arising prior to the Closing Date under the Asset Purchase Agreement, including, but not limited to, any liabilities under any revenue, pension, ERISA, tax, labor, environmental or natural resource law, rule or regulation, or any products liability law, arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' businesses prior to the Closing Date. After the Closing and the payment of the Purchase Price, the Buyer shall have no liability to the Debtors or their estates for any diminution in value or other damage of any kind whatsoever to the Regulated Assets or the Licenses that may result from the Buyer's operation of the Debtors' business.

15. This Court retains and shall have exclusive jurisdiction to endorse and implement the terms and provisions of the Asset Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith (including the Management Agreement) in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Purchased Assets to the Buyer, (b) compel delivery of the purchase price or performance of other obligations owed to the Debtors, (c) resolve any disputes arising under or related to the Asset Purchase Agreement, and (d) interpret, implement, and enforce the provisions of the Asset Purchase Agreement and this Sale Order.

16. The transactions contemplated by the Asset Purchase Agreement are undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale of any Purchased Assets shall not affect the validity of the Sale of such Purchased Assets to the Buyer, unless such authorization is duly stayed pending such

appeal prior to the Closing with respect to such Purchased Assets. The Buyer is a purchaser in good faith of the Purchased Assets, and the Buyer is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

17. The terms and provisions of the Asset Purchase Agreement and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors, the Buyer and their respective affiliates, successors and assigns and any affected third parties (including, but not limited to, all persons asserting Interests in the Purchased Assets to be sold to the Buyer pursuant to the Asset Purchase Agreement), notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

18. The failure specifically to include any particular provisions of the Asset Purchase Agreement in this Sale Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Asset Purchase Agreement be authorized and approved in its entirety. To the extent that any provision of this Sale Order is inconsistent with the Asset Purchase Agreement or the Management Agreement, the terms of this Sale Order shall control.

19. The Asset Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates and is, if occurring prior to the Closing Date, approved by counsel for each of the Creditors' Committee, the agent for the lenders under the Pre-Petition Credit Agreement, and the agent for the lenders under the DIP Credit Agreement. The Debtors shall also notify counsel for Lucent of any

modification, amendment or supplement to the Asset Purchase Agreement and, if such modification, amendment or supplement impairs or adversely affects Lucent's rights as a secured creditor in these chapter 11 cases, shall obtain Lucent's prior consent thereto.

20. The transfer of the Purchased Assets pursuant to the Asset Purchase Agreement, and the transactions contemplated thereby constitute steps toward the formulation, or in anticipation of the formulation of, a chapter 11 plan for the Debtors and as such, in accordance with section 1146(c) of the Bankruptcy Code, the making or delivery of any instrument of transfer to effectuate the Asset Purchase Agreement and the transactions contemplated thereby shall not be taxed under any law imposing a stamp tax or a sale, transfer or any other similar tax, and the recordation of any instruments (including bills of sale, leases, assignments and amendments thereto) to evidence the Sale of the Purchased Assets shall not be subject to any such tax.

21. All of the Debtors' interests in the Purchased Assets to be acquired by the Buyer under the Asset Purchase Agreement shall be, as of the Closing Date and upon the occurrence of the Closing, transferred to and vested in the Buyer. Upon the occurrence of the Closing, this Sale Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Purchased Assets acquired by the Buyer under the Asset Purchase Agreement and/or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in the Purchased Assets acquired by the Buyer under the Asset Purchase Agreement to the Buyer.

22. As of the Closing Date, the Buyer shall be hereby granted immediate and unfettered access to the Purchased Assets (other than the Licenses) acquired by the Buyer.

Regulatory Transition Process

23. The Debtors and the Buyer shall have a period (the "Regulatory Compliance Period") of one hundred-twenty (120) days (subject to extension) from the Closing Date to obtain the requisite federal and state regulatory approvals necessary to operate the Business and to enter into contractual or other legal arrangements necessary for the consummation of the Sale, transfer of the Licenses and the Regulated Assets (as defined below) to the Buyer and the operation of the Purchased Assets by the Buyer (the "Compliance Items"). In order to ensure the uninterrupted provision of services to the Customers during the Regulatory Compliance Period, and the orderly transfer of the Licenses and, to the extent required by any other applicable law, any other assets subject to similar transfer restrictions (the "Regulated Assets") to the Buyer, the Buyer, the Debtors and all providers of goods and services to the Debtors, including but not limited to the common carrier service providers that provide services to the Debtors and any landlords of properties used by the Debtors (the "Service Providers") are hereby authorized and directed as follows:

a. As soon as practicable following the entry of this Sale Order, the Debtors and the Buyer are directed to file such applications as are required to seek the federal and state regulatory authority necessary for the Debtors to assign, and the Buyer to acquire, own and operate, the Licenses and the Regulated Assets.

b. On the Closing Date, the Buyer and the Debtors are directed to enter into a Management Agreement substantially in the form appended as Exhibit E to the Asset Purchase Agreement, pursuant to which the Buyer shall be entitled to manage and operate the business of the Debtors during the Regulatory Compliance Period on the terms and conditions set forth therein.

c. From the Closing Date to the Cutoff Date, all agreements and other arrangements with Service Providers relating to the Debtors providing service to Customers shall, subject to compliance with paragraph (d) below, remain in effect and

may not be canceled or terminated, and absent an event of default occurring after the Closing Date in respect of facts arising after the Closing Date that has not been cured within three (3) business days after written notice (by email and facsimile) thereof has been received by the Buyer (Attention: Chief Financial Officer, email: steveb@corp.idt.net, facsimile: 973-438-1414, and McDermott, Will & Emery, Attention: David C. Albalah, Esq., email: dalbalah@mwe.com, facsimile: 212-574-5444), no Service Provider shall reduce or otherwise alter in any adverse manner its performance under any such agreement(s) or arrangement(s) until the Cutoff Date.

d. The Buyer shall be responsible for, and is directed to pay on a timely basis, all charges incurred for services used by the Debtors to provide services to the Customers from the Closing Date to the Cutoff Date, including all charges incurred with respect to Service Providers. The rates charged by Service Providers for such services shall not exceed the rates for those services in effect as of the date of this Sale Order. Neither the Debtors or Buyer shall have any obligation or liability for services not actually being utilized and each Service Provider shall, upon written notice from the Debtors and the Buyer, immediately and without charge or further liability of any kind discontinue and disconnect any such services provided to the Debtors and/or the Buyer.

e. The Buyer is further authorized to promptly establish such contractual or other legal arrangements as the Buyer and the Debtors deem necessary to operate the Debtors' assets and to provide service to Customers (including interconnection and other common carrier service agreements with Service Providers) and that will permit Buyer to provide service to Customers in a manner similar to the manner in which the Debtors provided such service prior to the date of this Sale Order and that will enable the Customers to continue to receive service in an uninterrupted and transparent manner.

f. During the 120-day period commencing on the Closing Date, in the event that any contract with any Service Provider that is a telecommunications carrier shall be rejected: (i) no termination liabilities shall arise; (ii) such telecommunications carrier

shall provide telecommunications services in accordance with, and to the extent required by, applicable law in a non-discriminatory manner; and (iii) such telecommunications carrier will charge the Buyer for replacement circuits the lower of actual costs and tariff rates to set up or establish such replacement circuits.

24. The Buyer is hereby directed to pay all costs of the ongoing operations of the Business in accordance with the Management Agreement. The Buyer shall have the ability during the Regulatory Compliance Period to direct the Debtors to seek the entry of one or more orders of the Court authorizing the Debtors to assume and assign to the Buyer any executory contract or unexpired lease to which the Debtors are a party, provided that the Buyer shall be solely responsible for paying any cure payment that is payable in connection with any such assumption and assignment. The Buyer shall have the ability during the Regulatory Compliance Period to direct the Debtors to reject any executory contract or unexpired lease to which the Debtors are a party provided that the Buyer must elect whether to assume and assign or reject any contracts with the GSA and must provide written notice of such election to the GSA on or before January 2, 2002. The Debtors may effect any such rejection by delivery of two (2) business days prior written notice (and the irrevocable waiver of the right to withdraw such notice) to the non-Debtor party to any such executory contract or unexpired lease of the Debtors' unequivocal intent to reject such executory contract or unexpired lease. In the event that the Buyer elects to reject any contract on account of which a prepayment has been made pursuant to Section 3.1(a) of the Management Agreement, the counterparty to such contract shall be obligated to refund promptly to the Buyer (without setoff or counterclaim) the unused portion of such prepayment and in the event of any dispute with respect thereto, the Buyer reserves the right to seek adjudication in the Bankruptcy Court. In the event that the Buyer elects rejection of

some or all of Debtors' contracts with the GSA, the Buyer agrees that it will continue to provide telecommunications services to GSA until GSA has received sixty (60) days' notice of discontinuance, or such longer period as the FCC requires. In all other respects, the Buyer shall manage the operations of the Business and shall be responsible for such operation pursuant to the terms and subject to the conditions of the Asset Purchase Agreement and the Management Agreement. The period within which the Debtors may elect to assume or reject unexpired leases of nonresidential real property under Bankruptcy Code section 365(d)(4) is hereby extended through the duration of the Term.

25. Upon receipt of the required regulatory approvals and establishment of the necessary service agreements and arrangements, the Debtors are authorized to convey the Licenses and the Regulated Assets to the Buyer, in accordance with the terms and conditions of the Asset Purchase Agreement and the Management Agreement.

26. As provided by Rules 6004(g) and 6006(d) of the Federal Rules of Bankruptcy Procedure, the effectiveness of this Sale Order shall not be stayed for 10 days after entry on the docket and shall be effective and enforceable immediately upon such entry. The Buyer and the Debtors shall consummate the Sale as promptly as is practicable following Court approval of this Sale Order, so long as no stay of this Sale Order has been entered and is continuing.

Dated: Wilmington, Delaware
December 19, 2001

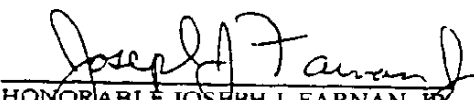

HONORABLE JOSEPH J. FARNAN, JR.
UNITED STATES DISTRICT JUDGE

EXHIBIT A

Description of Lab Equipment

The following equipment currently is located at the Winstar lab facility, 2545 Horse Pen Road, Herdon, Virginia (the "Winstar Lab").

1. Metropolis "evaluation" configuration description --

- a. Metropolis 4500 System consisting of 1 Large Service Shelf, a High Speed optical Shelf and associated circuit packs;
- b. Metropolis 2500 system consisting of a Large Service Shelf and associated circuit packs;
- c. Metropolis 2000 system consisting of a Service Shelf and associated circuit packs.

The systems are installed in two seven foot equipment racks in the Winstar Lab.

2. AnyMedia "evaluation" configuration description --

- a. AnyMedia Access Unit consisting of common circuit packs & associated interface circuit packs;

- b. Breakdown for AnyMedia:

FAC 100 S1:1 SL1EJDCAA
FAC 100 S1:1 SLC1EJDCAA
COM100 S2:2 SLC1CGLCAA
COM100 S2:3 SLC1CGLCA8
DTP100 S1:1 SLC1DH0CAA
DTP101 S1:2 SLC1DHKCAB
LPA380 S3:3 E51SFBAAAA
LPA300 S1:1 SLCUVR0BAA
LPA380 S3:3 E51SFBAAAA
LPU 116 S2:3 SN980CD953522L 107743536002 ESPQAYKAA
Two tip ring cables - new
Two T-1 Cables pieced together from parts
Power cables

The trial configuration is a shelf mounted within a single seven foot equipment rack.

EXHIBIT B

Description of Accounts

Account	Account Number
Fleet Bank Investment Account	9427772529
Fleet Bank Investment Account	9428385707
State Street Investment Account	3274457
State Street Investment Account	3324773
Fleet Bank Disbursement Account	9427772510
Fleet Bank Disbursement Account	9428385694

EXHIBIT B

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF MINNESOTA**

Gregory Scott
Edward A. Garvey
Marshall Johnson
LeRoy Koppendrayer
Phyllis Reha

Chair
Commissioner
Commissioner
Commissioner
Commissioner

**In the Matter of Qwest Corp. and Winstar
Communications, LLC, Adoption Letter for
Previously Approved Interconnection Agreement**

PUC Docket No. P421,5246/
IC-02-324

AFFIDAVIT OF LARRY CHRISTENSEN

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

I, Larry Christensen, being first duly sworn on oath, depose and state as follows:

1. I am currently employed as Director of Business Policy, Wholesale Division, for Qwest Corporation ("Qwest"). My business address is 1801 California Street, 23rd Floor, Denver, Colorado 80202.
2. In my capacity as Director of Business Policy, I am responsible for overseeing the management, negotiations and approval of Interconnection Agreements.
3. My organization receives requests from competitive local exchange carriers ("CLECs") to enter into Interconnection Agreements with Qwest under the Telecommunications Act of 1996 ("the Act"). This may include a CLEC request to opt into a preexisting interconnection agreement in accordance with § 252(i) of the Act. A typical CLEC opt-in request does not require any negotiation and is handled by Qwest as a matter of routine: (i) The CLEC and Qwest sign a letter agreement wherein the parties accept the terms and conditions of the interconnection agreement being opted into, and (ii) the letter agreement is submitted to the appropriate state commission for approval.
4. On or about January 30, 2001, my organization received a letter from Kathleen L. Greenan, Counsel for Winstar Communications, LLC, of Swidler Berlin Shereff Friedman, LLP, to request that Qwest enter into an interconnection agreement with Winstar Communications, LLC ("Winstar"). Specifically, Winstar wished to opt

into the interconnection agreement between Sprint Communications Company LP and Qwest Corporation fka U S WEST Communications, Inc. in its entirety.

5. Relying on Winstar's letter and the determination that the existing "Winstar" agreement between Qwest and Winstar Wireless, Inc. (which I now understand to be changing its name to Winstar Communications, LLC) was being managed as month-to-month agreement, my organization and I handled Winstar's request as a routine opt-in agreement. I executed standard letter agreement ("Opt-in Letter"), and forwarded the Opt-in Letter onto local Qwest counsel for filing with the Minnesota Public Utilities Commission.

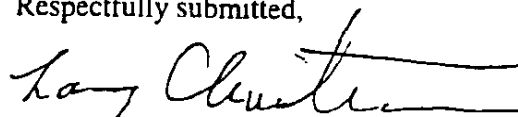
6. Subsequent to executing the Opt-in Letter, I became aware that Winstar was associated with IDT Winstar Acquisition, Inc., and that, pursuant to an ongoing bankruptcy proceeding, these entities were subject to orders of the bankruptcy court that could restrict the ability of Winstar to enter into a new interconnection agreement with Qwest.

7. At no time did any Winstar representative mention the bankruptcy proceeding, nor suggest that the request to enter into an Interconnection Agreement with Qwest was subject to any prior condition, order, or agreement, or, in fact, was anything other than a routine update of a month-to-month agreement.

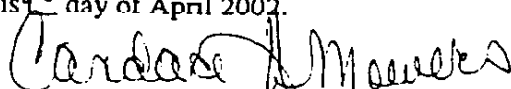
8. Had I been aware that Winstar was subject to an order of the bankruptcy court or otherwise subject to special conditions with regard to entering into new Interconnection Agreements, I would not have handled Winstar's request as a routine matter. I would have contacted Qwest's bankruptcy counsel to further discuss the bankruptcy proceeding and its implications on Winstar's request to enter into an Interconnection Agreement with Qwest before executing the Opt-in Letter.

FURTHER AFFIANT SAYETH NOT

Respectfully submitted,


Larry Christensen

Subscribed and sworn to before me
this 9th day of April 2002.


Notary Public

Candace A. Mowers
My Commission Expires
April 3, 2002

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116

TELEPHONE (202) 414-7500
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KLGREENAN@SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
(212) 973-0111 FAX (212) 891-9598

January 29, 2002

VIA OVERNIGHT DELIVERY

Ms. Heidi Higer
Interconnection Process Manager
Qwest Communications International, Inc.
1801 California Street, Suite 2410
Denver, CO 80202

Re: Request by Winstar Communications, LLC to Adopt the Interconnection
Agreement Between Qwest and Sprint for Colorado, Minnesota and
Washington Pursuant to 47 U.S.C. § 252(i)

Dear Ms. Higer:

Pursuant to 47 U.S.C. § 252(i), Winstar Communications, LLC ("Winstar") hereby requests that Qwest Communications, Inc. ("Qwest") provide Winstar with interconnection, access to unbundled network elements, and wholesale services for resale in Colorado, Minnesota and Washington on the same rates, terms, and conditions as are contained in Qwest's interconnection agreement with Sprint Communications Company, L.P., including all amendments to the agreement as of the date of this letter.

Please send notices to Winstar as required by the agreement to:

Michael Carowitz
Winstar Communications, LLC
1850 M Street, NW
Washington, DC 20036
Tel: 202-367-7607
Fax: 202-659-1931

File

Ms. Heidi Higer
January 29, 2002
Page 2

with a copy to:

Kathleen L. Greenan
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 945-6922
Fax: (202) 424-7645

Please prepare the appropriate Section 252(i) agreement and forward it to me in both paper and electronic format as soon as possible. Thank you in advance for your prompt attention to this matter. Should you have any questions regarding this request, please do not hesitate to contact me

Sincerely,



Kathleen L. Greenan
Counsel for Winstar Communications, LLC

cc: Charles H. F. Garner
Timothy R. Graham
Michael Carowitz
Allen Schwab
Jean L. Kiddoo

EXHIBIT C

winstar

February 26, 2002

VIA OVERNIGHT DELIVERY

Christie Doherty
Vice President
Qwest
1005 17th Street, Rm. 1750
Denver, CO 80202

Lisa Schuzer
Account Manager
Qwest
925 High Street, Room 189
Des Moines, IA 50309

Dear Ms. Doherty and Ms. Schuzer:

On behalf of Winstar Communications, LLC and Winstar of Arizona, LLC (collectively, "Winstar"), this letter is to advise you that Winstar desires Qwest to transition to Winstar the circuits identified in the attached initial list. The customers whose service is associated with these circuits are in the process of being acquired by Winstar from Winstar Wireless, Inc. ("WWI") pursuant to an Order of the Bankruptcy Court, and Winstar will serve these customers as their preferred carrier of choice. In accordance with the Communications Act of 1934, as amended, and the Bankruptcy Court Order, Winstar requires the use of these circuits to serve its customers and, accordingly, submits this notice to obtain such circuits from Qwest.

Although Winstar is in the process of finalizing an interconnection agreement(s) with Qwest and obtaining the necessary regulatory approvals to transfer the customers without disrupting their service, and to operate in all of the Qwest Service Areas as a competitive local exchange carrier, Winstar is providing this initial list of circuits and notice of its intention to obtain these circuits to Qwest at this time in order to assure that the transition will be handled expeditiously. Winstar will advise Qwest as soon as the necessary agreements and approvals are obtained. Also, Winstar will advise Qwest of any changes or additions in the attached circuit list.

Winstar believes the provisioning of these circuits will not require any physical changes in the network configuration being used to serve these customers today, and requires only that Qwest change the billing information associated with the listed circuits (a billing change only or "Record Order") in order to undertake the transition of these circuits to Winstar. Winstar is providing this advance notice and information to assist Qwest in developing a streamlined process to transition the large number of affected circuits on a

1850 M Street, NW • Washington, DC 20036

bulk basis in a smooth, orderly and timely manner, so that all service disrupting effects and delays, and unnecessary costs, can be avoided. Winstar believes that it has provided the information necessary to complete the transition, but if you believe it would be helpful, we would be pleased to meet with you in the near term Qwest to discuss how the details and timing of the transition may be coordinated to ensure that service is continued in an uninterrupted and transparent manner to customers.

Thank you in advance for your assistance with this matter. Feel free to contact me at (202) 367-7657 if you require anything further to facilitate the transition.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stephen V. Murray", with a long horizontal line extending to the right.

Stephen V. Murray
Senior Director

winstar

1850 M Street, NW
Suite 30C
Washington, DC 20036
(202) 965 5800

March 27, 2002

VIA OVERNIGHT DELIVERY

Christie Doherty
Vice President
Qwest
1005 17th Street, Rm. 1750
Denver, CO 80202

Cherron Halpern
Qwest
1600 7th Avenue, Room 98191
Seattle, WA 98191

Dear Ms. Doherty and Ms. Schuzer:

On behalf of Winstar Communications, LLC and Winstar of Arizona, LLC (collectively, "Winstar"), this letter is to advise you that Winstar desires Qwest to transition to Winstar the resale service accounts identified on the attached list. For each account identified, Winstar also provides the customer name and working telephone number.

Winstar has executed interconnection agreements with Qwest and is in the process of obtaining the necessary regulatory approvals to transfer the customers without disrupting their service, and to operate in all of the Qwest Service Areas as a competitive local exchange carrier. Winstar is providing the attached list of accounts and notice of its intention to provide resale service to the customers associated with each account in order to assure that the transition will be handled expeditiously. Winstar will advise Qwest of any changes or additions to the attached list.

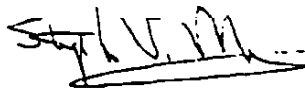
1850 M Street, NW . Washington, DC 20036

Winstar

Winstar believes that its request to transition the accounts to Winstar will require no physical changes in the network configuration being used to serve these customers today, and requires only that Qwest change the billing information associated with the listed accounts. Winstar is providing this advance notice and information to assist Qwest in developing a streamlined process to transition the large number of affected accounts on a bulk basis in a smooth, orderly and timely manner, so that all service disrupting effects and delays, and unnecessary costs, can be avoided. Winstar believes that it has provided the information necessary to complete the transition, but if you believe it would be helpful, we would be pleased to meet with you to discuss how the details and timing of the transition may be coordinated to ensure that service is continued in an uninterrupted and transparent manner to customers.

Thank you in advance for your assistance with this matter. Feel free to contact me at (202) 367-7657 if you require anything further to facilitate the transition.

Very truly yours,



Stephen V. Murray
Senior Director



1850 M Street, NW
Suite 300
Washington, DC 20036
(202) 959 9800

March 28, 2002

VIA OVERNIGHT DELIVERY

Christie Doherty
Vice President
Qwest
1005 17th Street, Rm. 1750
Denver, CO 80202

Cherron Halpern
Qwest
1600 7th Avenue, Room 98191
Seattle, WA 98191

Dear Ms. Doherty and Ms. Schuzer:

On behalf of Winstar Communications, LLC and Winstar of Arizona, LLC (collectively, "Winstar"), this letter is to advise you that Winstar desires Qwest to transition to Winstar the circuits identified in the attached list, which supplements the list provided to you on February 26, 2002.

Winstar has executed interconnection agreements with Qwest and is in the process of obtaining the necessary regulatory approvals to transfer the customers without disrupting their service, and to operate in all of the Qwest Service Areas as a competitive local exchange carrier. Winstar is providing this list of circuits and notice of its intention to obtain these circuits to Qwest at this time in order to assure that the transition will be handled expeditiously. Winstar will advise Qwest of any changes or additions to the attached circuit list.

1850 M Street, NW . Washington, DC 20036

winstar

Winstar believes the provisioning of these circuits will not require any physical changes in the network configuration being used to serve these customers today, and requires only that Qwest change the billing information associated with the listed circuits (a billing change only or "Record Order") in order to undertake the transition of these circuits to Winstar. Winstar is providing this advance notice and information to assist Qwest in developing a streamlined process to transition the large number of affected circuits on a bulk basis in a smooth, orderly and timely manner, so that all service disrupting effects and delays, and unnecessary costs, can be avoided. Winstar believes that it has provided the information necessary to complete the transition, but if you believe it would be helpful, we would be pleased to meet with you to discuss how the details and timing of the transition may be coordinated to ensure that service is continued in an uninterrupted and transparent manner to customers.

Thank you in advance for your assistance with this matter. Feel free to contact me at (202) 367-7657 if you require anything further to facilitate the transition.

Very truly yours,



Stephen V. Murray
Senior Director